

SENATE BILL NO. 306

INTRODUCED BY V. COCCHIARELLA

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE SERVICE AND DISABILITY RETIREMENT BENEFITS FOR MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO HAVE ~~WORKED~~ FOR AT LEAST 25 YEARS OF MEMBERSHIP SERVICE; AMENDING SECTIONS 19-3-904, 19-3-1002, AND 19-3-1008, MCA; AND PROVIDING AN EFFECTIVE DATE ~~AND AN APPLICABILITY DATE.~~"

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 19-3-904, MCA, is amended to read:

"19-3-904. Amount of service retirement benefit. ~~The (1) Except as provided in subsection (2),~~ the monthly amount of retirement benefit payable to a member following service retirement is the greater of subsection (1) or (2) as follows:

~~(1)(a)~~ one fifty-sixth of the member's final average salary multiplied by the number of years of the member's total service credit; or

~~(2)(b)~~ a monthly benefit that is the actuarial equivalent of double the member's regular contributions plus regular interest.

(2) The monthly amount of retirement benefit payable to a member who has at least 25 years of creditable MEMBERSHIP service is equal to one-fiftieth of the member's final average salary HIGHEST AVERAGE COMPENSATION multiplied by the number of years of the member's total service credit."

Section 2. Section 19-3-1002, MCA, is amended to read:

"19-3-1002. Eligibility for disability retirement. (1) Except as provided in subsections (2) and (3), a member entering service prior to February 24, 1991, who is not eligible for service or early retirement but has at least 5 years of membership service and has become disabled while an active member is eligible for disability retirement, as provided in 19-3-1008(1).

(2) An active member age 60 or older who has completed 5 years of membership service and has had a duty-related accident forcing the member to terminate employment but who has not received or is ineligible to receive workers' compensation benefits under Title 39, chapter 71, for the duty-related

1 accident may conditionally waive the member's eligibility for a service retirement in order to be eligible for
2 disability retirement. The waiver is effective only upon approval by the board of the member's application
3 for disability retirement. The board shall determine whether a member has become disabled. The board
4 may request any information on file with the state compensation insurance fund concerning any
5 duty-related accident. If information is not available, the board may request and the state fund shall
6 provide an investigative report on the disabling accident.

7 (3) (a) A member in service on February 24, 1991, has a one-time election to be covered for
8 disability purposes under the provisions of 19-3-1008(2). This election is irrevocable and must be made
9 in writing by the member no later than December 31, 1991. Coverage under the provisions of
10 19-3-1008(2) commences on the date the completed election form is received by the board or its
11 designated representative. To be eligible for disability benefits under the provisions of this part, a member
12 must have completed 5 years of membership service and must have become disabled while an active
13 member.

14 (b) An individual becoming a member after February 24, 1991, who has completed 5 years of
15 membership service and has become disabled while an active member is covered for disability purposes
16 under the provisions of 19-3-1008(2) or (3)."

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18 **Section 3.** Section 19-3-1008, MCA, is amended to read:

19 **"19-3-1008. Benefit for disability.** (1) The monthly amount of the retirement benefit payable to
20 a member eligible for disability retirement under the provisions of 19-3-1002(1) is the greater of subsection
21 (1)(a) or (1)(b) as follows:

22 (a) 90% of one fifty-sixth of the member's final average salary multiplied by the member's years
23 of service credit, including any additional service purchased under 19-3-513; or

24 (b) a retirement benefit equal to 25% of the member's final average salary.

25 (2) ~~The~~ Except as provided in subsection (3), the monthly amount of retirement benefit payable
26 to a member eligible for disability retirement under the provisions of 19-3-1002(3) is a retirement benefit
27 equal to one fifty-sixth of the member's final average salary multiplied by the member's years of service
28 credit, including any additional service purchased under 19-3-513.

29 (3) The monthly amount of retirement benefit payable to a member eligible for disability retirement
30 under the provisions of 19-3-1002(3) who has at least 25 years of creditable MEMBERSHIP service is a

1 ~~retirement benefit equal to one-fiftieth of the member's final average salary~~ HIGHEST AVERAGE COMPENSATION
2 ~~multiplied by the member's years of service credit, including any additional service purchased under~~
3 ~~19-3-513.~~

4 ~~(3)~~(4) Subject to the provisions of part 11 of this chapter, a retired member receiving a disability
5 retirement benefit on February 24, 1991, who has previously been granted a disability retirement benefit
6 under the provisions of this section will continue to receive the monthly disability retirement benefit as
7 calculated prior to February 24, 1991, subject to any postretirement or cost-of-living increases granted
8 by the legislature."

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10 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2001.

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12 ~~NEW SECTION. Section 5. Applicability.~~ [This act] applies to an active member of the public
13 employees' retirement system who has worked for at least 25 years, all or any part of which may occur
14 before or after July 1, 2001, and who retires on or after that date.

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